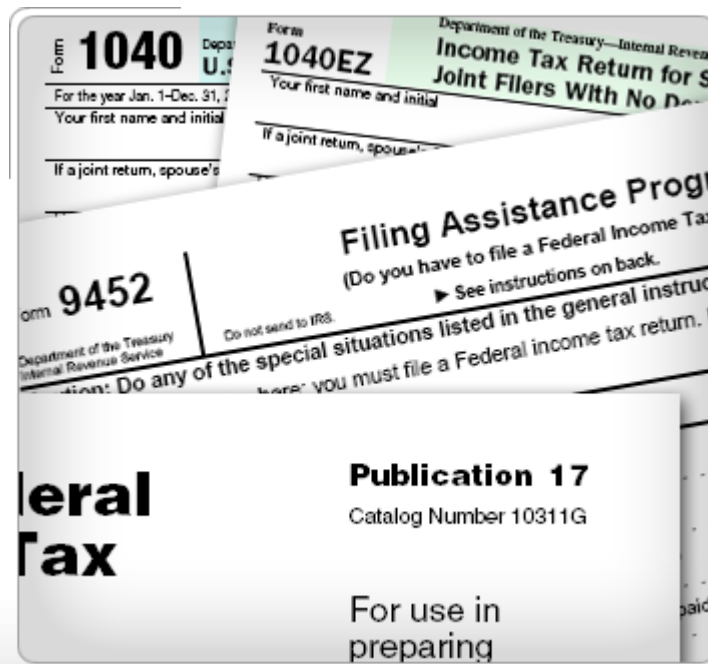




Filing Basics



About Filing Basics

- TaxWise: Main Information Screen
- Additional resources listed in L< “References” tab
- Review all tips and cautions
- Read all examples and sample interviews
- We will review answers to each exercise in the lesson

Main Information Screen

Your first name		Initial	Last name		Suffix	Your SSN
[]		[]	[]		[]	011-11-1111
If filing a JOINT return, enter your spouse's						
First name		Initial	Last name, if different from yours		Spouse's SSN	
[]		[]	[]		[]	
Mailing address						
Name line 2: Use % for care of						
Present home address						
Zip code, city, and state						
Email address						
Telephone numbers						
Daytime						
Evening						
Cell phone or fax						
Foreign phone						
Birth date						
Age for Federal tax purposes						
Taxpayer's occupation						
Spouse's occupation						

Note 1: Use only if an additional name is needed for "in care of," for a two line street address, or in the case of a deceased taxpayer. Enter the name of the person filing the return for the deceased person. This may be the surviving spouse if the filing status is Married Filing Jointly or a personal representative

Do not use punctuation marks (period, comma, or hyphen).

Verify

Enter spouse SSN.

Verify spouse last name with SS card. If different from taxpayer, enter last name here.

Note 1: see below.

Enter zip code first. (See note 2.)

Always ask for at least one telephone number. Enter area code first.

Must input birth date. Include spouse if joint return. Enter as mmddyyyy (program will enter slash marks).



Objectives – Filing Basics

- Determine who *must* file a tax return
- Determine who *should* file a tax return
- Verify the taxpayer's identity
- Select which form to use
- Determine how to file the return
- Tell taxpayers how long to keep certain records and documents
- Time Required: 15-45 minutes

Topics



- Who Must File
- Who Should File
- Verifying Taxpayer Identity
- Choosing the Right Return
- Filing the Return
- Recordkeeping
- Answering Administrative Questions
- Potential Pitfalls

Chart A – For Most People Who Must File

If you CAN be claimed as a dependent by another taxpayer, you must file as a dependent whether you are being claimed or not. See Chart B for filing requirements.

If your filing status is...	AND at the end of 2014 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$10,150
	65 or older	\$11,700
Married filing jointly***	under 65 (both spouses)	\$20,300
	65 or older (one spouse)	\$21,500
	65 or older (both spouses)	\$22,700
Married filing separately (see the instructions for line 3)	any age	\$ 3,950
Head of household (see the instructions for line 4)	under 65	\$13,050
	65 or older	\$14,600
Qualifying widow(er) with dependent child (see the instructions for line 5)	under 65	\$16,350
	65 or older	\$17,550

* If you were born on January 1, 1950 you are considered to be age 65 at the end of 2014.

** Gross income means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it).

• Do not include any social security benefits unless

(a) you are married filing a separate return and you lived with your spouse at any time in 2014 or
(b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly).

If (a) or (b) applies, see the instructions for lines 20a and 20b to figure the taxable part of social security benefits you must include in gross income.

• Gross income includes gains, but not losses, reported on Form 8949 or Schedule D.

• Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, when figuring gross income, do not reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

*** If you did not live with your spouse at the end of 2014 (or on the date your spouse died) and your gross income was at least \$3,950, you must file a return regardless of your age.

Individuals who do not have a filing requirement based on this chart should also check Chart C, Other Situations When You Must File, and Chart D, Who Should File. Individuals with earned income but who do not have a filing requirement may be eligible for the Earned Income Credit.



Key Terms

Definitions are always available in the L< online Glossary.

- ATIN
- Dependent
- Gross Income
- ITIN
- Tax Credits



Who Must File

- What helps determine if an individual must file?
- Form 13614-C very important in this stage of the process
- Refer to Pub 4012, [Charts A, B, and C](#)
- Internet resources for determining filing requirement
 - Interactive Tax Assistant: [Determine if you have to file a return](#)
 - Tax Tips Video: [Do I have to File a Tax Return?](#)
- Let's practice: examples from Link & Learn Taxes lesson
 - Lucy
 - Henrietta and Javier

Who Should File

- In what situations would an individual want to file if they are not required to?
 - Find examples in Pub 4012, [Chart D](#)
- Out of scope:
 - Health coverage tax credit
 - Refundable credits for prior year minimum tax



Chart D – Who Should File

1. You had income tax withheld from your pay.
2. You made estimated tax payments for the year or had any of your overpayment for last year's estimated tax applied to this year's taxes.
3. You qualify for the earned income credit. See Publication 596, Earned Income Credit (EIC), for more information.
4. You qualify for the additional child tax credit. See Form 1040 Instructions for more information on this credit.
5. You qualify for the health coverage tax credit. For information about this credit, see Form 8885, Health Coverage Tax Credit. (Out of scope)
6. You qualify for the refundable credit for prior year minimum tax. See Form 8801, Credit for Prior Year Minimum Tax — Individuals, Estates, and Trusts. (Out of scope)
7. You qualify for an American Opportunity Credit.
8. You receive a 1099-B and the gross proceeds plus other income exceeds the filing limits in Chart A.
9. You receive Form 1099-S, Proceeds From Real Estate Transactions

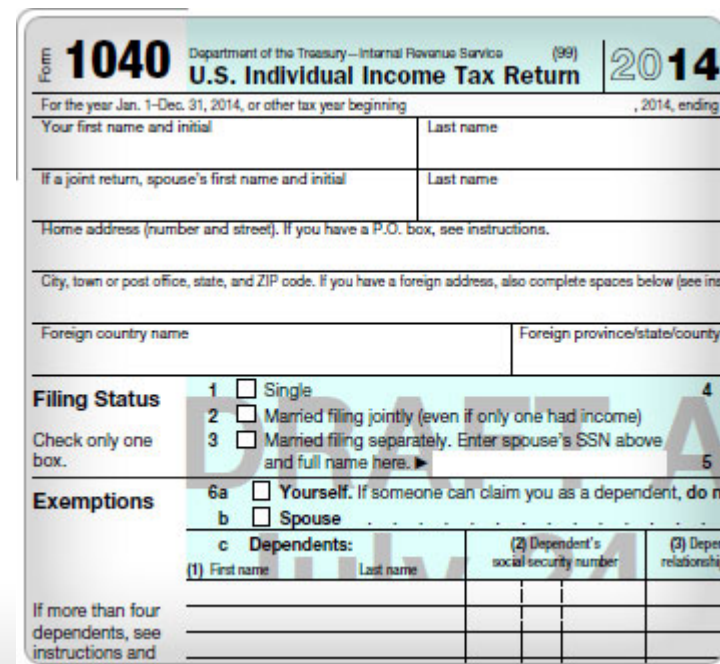


Verifying Taxpayer Identity

- What are acceptable identity documents to verify identity?
 - See the Tip in Pub 4491
- What are acceptable TINs?
- Enter names and identification numbers accurately
 - Mistakes in data entry can result in processing delays
 - See Pub 4012, Exemptions/Dependency & Main Info tab, [Main Information Screen](#), for ID entries
- Verify taxpayer information to protect against identity theft
- Remind taxpayers correct information is necessary to receive age-related tax benefits
- Out of scope: taxpayers who cannot substantiate their identity

Choosing the Right Return

- Volunteers should always use Form 1040
 - Appropriate for all taxpayers
 - Default TaxWise form
- TaxWise will select the simplest form after data entry
 - Requirements explained in Pub 17, Filing Information chapter



Form **1040** Department of the Treasury—Internal Revenue Service (99) **2014**

For the year Jan. 1-Dec. 31, 2014, or other tax year beginning , 2014, ending

Your first name and initial Last name

If a joint return, spouse's first name and initial Last name

Home address (number and street). If you have a P.O. box, see instructions.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions)

Foreign country name Foreign province/state/country

Filing Status

1 ☐ Single 4

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶ 5

Check only one box.

Exemptions

6a ☐ Yourself. If someone can claim you as a dependent, do not check this box.

b ☐ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship

If more than four dependents, see instructions and

Filing the Return

- Covered in detail in Concluding the Interview lesson
- IRS E-file
 - All volunteer tax assistance sites e-file tax returns
 - Safest, fastest and easiest way to file
 - Free File for individuals with income below \$57,000



Recordkeeping

- Statute of limitations – 3 years from return due date or file date, 2 years from date tax was paid, whichever is later
 - Keep tax returns, worksheets, records for anything appearing on the return
- [Pub 17](#), Filing Information chapter

What Records Should I Keep?

This part discusses why you should keep records, what kinds of records you should keep, and how long you should keep them.

You probably already keep records in your daily routine. This includes keeping receipts for purchases and recording information in your checkbook. Use this to determine if you need to keep additional information in your records.



You must keep records so that you can prepare a complete and accurate income tax return. The law does not require any special form of records. However, you should keep all receipts, canceled checks or other proof of payment, and any other records to support any deductions or credits you claim.

If you file a claim for refund, you must be able to prove by your records that you have overpaid your tax.

This part does not discuss the records you should keep when operating a business. For information on business records, see Publication 583, Starting a Business and Keeping Records.

Why Keep Records?

There are many reasons to keep records. In addition to tax purposes, you may need to keep records for warranty or insurance purposes or for getting a loan. Good records will help you:

- **Identify sources of income.** You may receive money or property from a variety of

Administrative Questions

- FAQ answers:
 - Pub 4012, References tab, [Frequent Taxpayer Inquiries](#)
 - [Pub 17](#) Index
 - Internet: [Filing Requirements](#)

Frequent Taxpayer Inquiries

Taxpayers normally ask questions during the interview process about the topics covered in this section. Visit www.irs.gov-keyword: 1040 Central or see Publication 17 for additional topics and information.

Installment Payment

Publication 594, The IRS Collection Process, explains taxpayers' rights and responsibilities regarding payment of federal taxes.

Copies of Prior-Years' Returns

Transcripts of prior-year returns may be obtained by going to <http://www.irs.gov/individuals/Get-Transcript> or by filing Form 4506-T, Request for Transcript of Tax Return. The website can be used to get prior-year information needed for this year's return.

If an actual copy is needed, taxpayer should complete Form 4506, Request for Copy of Tax Return, and mail it with the required fee to the IRS campus where the return was filed.

Amended Returns (See Other Returns Tab)

Form 1040X, Amended U.S. Individual Income Tax Return should be used by taxpayers to amend their return. Many mistakes are corrected in processing by the IRS and a letter of explanation is mailed at the time an error is identified or when a refund is issued. In these cases, taxpayers are not required to file an Amended Return as the corrections have already been made.

Preparation of amended returns has expanded in the VITA/TCE programs. Sites can choose to file amended returns even if they did not prepare the original return.

Taxpayer Address Changes

Taxpayers should use Form 8822, Change of Address, to notify the IRS of any change of address. If taxpayers move after filing the return and before a refund is received, they should notify their old post office and the IRS of their new

Taxpayers should see Publication 971, Innocent Spouse Relief which explains the types of relief, who may qualify for them, and how to get them. Married persons who did not file joint returns, but who live in community property states, may also qualify for relief. (Out of scope for VITA/TCE prepared returns.)

Injured Spouse Relief

An injured spouse claim is different from an innocent spouse relief request. An injured spouse can request the division of tax overpayment attributed to each spouse. The injured spouse must file Form 8379, Injured Spouse Allocation, to request his or her portion of a joint refund.

Married Filing Separately

Unless required to file separately, married taxpayers may want their tax figured on a joint return and on separate returns, to make sure they are receiving the most advantageous filing status. Generally, however, married taxpayers pay more combined tax on separate returns than they would on a joint return. See Publication 17, Filing Status, for Special Rules (which outlines the disadvantages).

Social Security Numbers and Account Information

As of August 1, 2014, Social Security no longer issues Social Security Number verification printouts in their field offices. Taxpayers may get this information using the *my Social Security Account* feature on www.ssa.gov. Local Social Security offices would continue to provide benefit verification letters.

Hardship Refund Request



Potential Pitfalls

- Canadians have ID numbers similar to social security; do not use it on a U.S. tax return
- Be alert for possible indications of fraudulent activity
 - Form W-2 that is typed or handwritten or has noticeable alterations
 - Form W-2 from a company that looks different from other Forms W-2 issued by the same company
 - A suspicious person accompanying the taxpayer (who has been observed on other occasions)
 - Multiple refunds directed to the same address or P.O. box
 - Employment or earnings that are a basis for refundable credits, which are not well-documented
 - Similar returns (e.g., same amount of refund, same number of dependents, or same number of Forms W-2)

Out of Scope for this Lesson:

- Taxpayers who may qualify for the health coverage tax credit
- Taxpayers who cannot substantiate their identity

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning _____, 2014, ending _____		See separate instructions.
Your first name and initial Franklin T.	Last name Cooper	Your social security number 000 00 0000
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instruction _____ 1234 Jay ST.		▲ Make sure the SSN(s) above and on line 6c are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete _____ Portland, OR 97208		
		Presidential Election Campaign Check here if you, or your spouse if filing jointly, are eligible to claim the credit.





Summary

- Three charts help you determine who must file and who should file
 - Chart A - For Most People Who Must File
 - Chart B - For Children and Other Dependents
 - Chart C - Other Situations When You Must File
 - Chart D - Who Should File
- Individuals who are not required to file *should* file to claim a refund of withheld taxes or a tax credit for which they qualify
- Verifying taxpayer identity
- Recordkeeping requirements for taxpayers